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State of Idaho

Legislative Services Office

## Individual Entity Audit Report

A communication to the Joint Finance-Appropriations Committee

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# SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)

FY 2008-2009

Report OP95509  
Date Issued: July 27, 2010

*Serving Idaho's Citizen Legislature*



Don H. Berg, Manager

Idaho Legislative Services Office  
Legislative Audits Division

## SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)

### SUMMARY

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#### **PURPOSE OF AUDIT REPORT**

We have audited the financial statements of the South Central Public Health District (V) for the fiscal years ended June 30, 2008 and 2009, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit is to determine whether the District's financial statements are materially accurate and reliable, and that it complied with laws and regulations affecting fiscal operations.

#### **CONCLUSION**

We conclude that the District's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on the District's financial statements.

#### **FINDINGS AND RECOMMENDATIONS**

There are no findings and recommendations in this report.

#### **PRIOR FINDING AND RECOMMENDATION**

There was one finding and recommendation in the prior report as follows:

Internal Control Weaknesses exist in the process for preparing the financial statements and note disclosures.

**We recommended that the District review the internal controls over preparation of the financial statements and notes and strengthen the process as appropriate. The review should include the process for ensuring the completeness and accuracy of the financial statements and note disclosures.**

The District has implemented several new internal controls and strengthened others to ensure the completeness and accuracy of the financial statements and note disclosures.

**STATUS – CLOSED**

**AGENCY RESPONSE**

The District has reviewed the report and is in general agreement with its contents.

**OTHER INFORMATION**

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho, the South Central Public Health District and the District's Board, and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Rene LeBlanc, and his staff.

**ASSIGNED STAFF**

Eugene Sparks, CPA, CGFM, Managing Auditor

Kathleen Watkins, CPA, In Charge Auditor

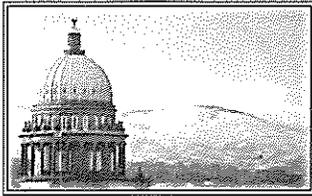
Wade Kimball, Staff Auditor

Kyle Wilmot, Staff Auditor

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# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

**Jeff Youtz**  
Director

July 27, 2010

Unqualified Opinion on  
Basic Financial Statements

## Independent Auditor's Report

Rene LeBlanc, Director  
South Central Public Health District (V)  
1020 Washington Street North  
Twin Falls, ID 83301

Marvin Hempleman, Chair  
District V Board of Health  
2916 East 3600 North  
Twin Falls, ID 83301

Dear Mr. LeBlanc and Mr. Hempleman:

We have audited the accompanying basic financial statements of the governmental activities, major fund, and the remaining fund information of the South Central Public Health District (V), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the remaining fund information of the District as of June 30, 2008 and 2009, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

**Mike Nugent, Manager**  
Research & Legislation

**Cathy Holland-Smith, Manager**  
Budget & Policy Analysis 01

**Don H. Berg, Manager**  
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**Glenn Harris, Manager**  
Information Technology

internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered when assessing the results of our audit.

The District has not presented the Management Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information on pages 15 and 16 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by *OMB Circular A-133*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. H. Berg', with a long horizontal stroke extending to the right.

Don H. Berg, CGFM, Manager  
Legislative Audits Division

STATE OF IDAHO  
SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2008 AND 2009

	June 30, 2008 Governmental Activities	June 30, 2009 Governmental Activities
<b>ASSETS</b>		
Cash	\$255,625	\$273,130
Investments	1,741,572	1,604,688
Interagency Receivables	519,020	333,025
Accounts Receivable	393,342	376,170
Capital Assets:		
Nondepreciable	337,709	410,397
Depreciable, Net	3,134,774	3,018,541
Total Assets	<u>\$6,382,042</u>	<u>\$6,015,951</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$55,761	\$25,818
Payroll and Benefits Payable	182,193	189,632
Deferred Revenue	12,416	8,240
Unearned Revenue	161,366	1,149
Compensated Absences	240,705	225,626
Total Liabilities	<u>\$652,441</u>	<u>\$450,465</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	\$3,472,483	\$3,428,938
Unrestricted	2,257,118	2,136,548
Total Net Assets	<u>\$5,729,601</u>	<u>\$5,565,486</u>

The accompanying notes are an integral part of these financial statements.



STATE OF IDAHO  
SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)  
BALANCE SHEET  
GOVERNMENTAL FUND  
AS OF JUNE 30, 2008 AND 2009

	June 30, 2008 Special Revenue Fund	June 30, 2009 Special Revenue Fund
<u>ASSETS</u>		
Cash	\$255,625	\$273,130
Investments	1,741,572	1,604,688
Interagency Receivables	519,020	333,025
Accounts Receivable	393,342	376,170
Total Assets	<u>\$2,909,559</u>	<u>\$2,587,013</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities		
Accounts Payable	\$55,761	\$25,818
Payroll and Benefits Payable	182,194	189,632
Deferred Revenue	12,416	8,240
Unearned Revenue	161,366	1,149
Total Liabilities	<u>\$411,737</u>	<u>\$224,839</u>
 Fund Balances		
Unreserved Special Revenue Fund	<u>\$2,497,822</u>	<u>\$2,362,174</u>
Total Fund Balance	<u>\$2,497,822</u>	<u>\$2,362,174</u>
Total Liabilities and Fund Balance	<u>\$2,909,559</u>	<u>\$2,587,013</u>

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

Total Fund Balances For Governmental Funds	\$2,497,822	\$2,362,174
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	3,472,483	3,428,939
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. This consists of compensated absences, and security deposit payable.	<u>(240,705)</u>	<u>(225,626)</u>
Net Assets of Governmental Activities	<u>\$5,729,600</u>	<u>\$5,565,487</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO  
SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008 AND 2009

	Year Ended June 30, 2008			Year Ended June 30, 2009		
	Special Fund 0290	Millennium Fund 0499	Total Governmental Funds	Special Fund 0290	Millennium Fund 0499	Total Governmental Funds
<b>REVENUES</b>						
Health and Professional Services	\$1,270,296	\$66,000	\$1,336,296	\$1,158,126	\$59,224	\$1,217,350
Interest / Income on Investments	111,937	0	111,937	83,116	0	83,116
Federal Grants	2,905,751	0	2,905,751	2,834,146	0	2,834,146
State Grants	19,500	0	19,500	61,831	0	61,831
City/County Grants	963,079	0	963,079	1,037,049	0	1,037,049
General Fund Support	1,350,200	0	1,350,200	1,324,800	0	1,324,800
Total Revenues	<u>\$6,620,763</u>	<u>\$66,000</u>	<u>\$6,686,763</u>	<u>\$6,499,068</u>	<u>\$59,224</u>	<u>\$6,558,292</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
Administration and Board of Health	\$1,042,767	\$0	\$1,042,767	\$1,181,220	\$0	\$1,181,220
Physical Health	2,067,097	0	2,067,097	2,187,487	0	2,187,487
Environmental Health	944,269	0	944,269	911,440	0	911,440
Health Promotion	1,530,904	66,000	1,596,904	1,446,779	59,224	1,506,003
Home Health and Hospice	773,055	0	773,055	763,425	0	763,425
Capital Outlay	316,141	0	316,141	144,365	0	144,365
Total Expenditures	<u>\$6,674,233</u>	<u>\$66,000</u>	<u>\$6,740,233</u>	<u>\$6,634,716</u>	<u>\$59,224</u>	<u>\$6,693,940</u>
Excess (Deficiency) of Revenues						
Over Expenditures - Net Change in Fund Balance	(\$53,470)	\$0	(\$53,470)	(\$135,648)	\$0	(\$135,648)
Beginning Fund Balance, as Restated	2,551,291	0	2,551,291	2,497,821	0	2,497,821
Ending Fund Balance	<u>\$2,497,821</u>	<u>\$0</u>	<u>\$2,497,821</u>	<u>\$2,362,173</u>	<u>\$0</u>	<u>\$2,362,173</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	FY 2008	FY 2009
Net Change in Fund Balances for Total Governmental Funds	<u>(\$53,470)</u>	<u>(\$135,648)</u>
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense.		
Depreciation expense was less than capital outlays in the FY 08 and FY 09 by the following amounts:		
Capital Outlay	316,141	144,365
Depreciation Expense	(182,850)	(187,909)
Miscellaneous transactions capital assets such as sales (gain/loss) are reported in the Statement of Activities, but only proceeds from sales are reported in the governmental funds.	(8,777)	0
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This requires an adjustment for compensated absences and security deposit payable.	(7,025)	15,079
Change in Net Assets of Governmental Activities	<u>\$64,019</u>	<u>(\$164,113)</u>

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The Health District is not a State agency. In determining how to define South Central Public Health District (V) for financial reporting purposes, management has considered all potential component units in accordance with *GASB Statement 14*, as amended by *GASB Statement 39*. The legislature created seven health districts throughout the State in 1970. In 1976, the legislature expressed specific intent that the districts were not to be considered State agencies, but were to be recognized as authorized governmental entities. Although the districts are not State agencies, all districts have opted to process their financial transactions through the State accounting system.

### GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all activities of the District. These activities are financed through General Fund appropriations, county contributions, federal grants, and program revenues.

The Statement of Net Assets presents the District's assets and liabilities, with the difference reported as net assets. Net assets are reported in two categories:

1. *Invested in Capital Assets, Net of Related Debt* are capital assets, net of accumulated depreciation and reduced by related outstanding debt.
2. *Unrestricted Net Assets* consist of net assets that do not meet the definition of *Restricted Net Assets*. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include fees and charges paid by recipients of goods or services offered by the program. Appropriations, contributions, interest income, and other items not meeting the definition of program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds. Individual government funds are reported as separate columns in the fund financial statements.

### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are presented on the Statement of Net Assets. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Immaterial differences in the statements are due to rounding.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under governmental fund accounting, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the year end. Sales of services, interest, and federal grants are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is

incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

## **ASSETS, LIABILITIES, AND NET ASSETS**

### Cash and Cash Equivalents

The District's primary governmental fund cash and cash equivalents are considered to be cash on hand, and are on deposit with the State Treasurer's Office.

### Investments

Investments are reported at fair value. Additional disclosure is identified in Note 2.

### Accounts Receivable

The accounts receivable come from county contributions, federal grants, and client accounts.

### Inventories and Prepaids

The District applies the purchase method of accounting for inventory and prepaid expenses. Inventory expensed using the purchase method is not significant and does not require disclosure on the balance sheet.

### Interagency Receivables

Interagency receivables are funds due from State agencies for contract services. The transfers are usually completed monthly.

### Capital Assets

Purchased capital assets are reported at cost, or if the assets are donated, at market value at date of donation. Only capital assets with a value of \$5,000 or greater are capitalized. Depreciation is recorded by use of the straight-line method. The value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated Useful Life (Years)
Equipment	15
Building/Improvements	30
Vehicles	7

Maintenance, repairs, and minor renewals are charged as operating expenses when incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost and any gain or loss arising from its disposal is credited or charged to operations.

Additional disclosures related to capital assets are provided in Note 5.

### Accounts Payable

Payables in the government-wide financial statements consist primarily of short-term vendor obligations.

### Deferred and Unearned Revenue

Deferred (unearned) revenue is recognized when revenue is received prior to being earned. In the governmental fund statements, deferred revenue is also recognized when revenue is earned but not available.

### Other Liabilities

Other liabilities consist of payroll and benefits payable.

### Long-Term Liabilities

Government-wide financial statements report long-term obligations as liabilities, with the portion payable within 12 months designated separately from the portion payable in more than 12 months. Long-term liabilities include compensated absences payable, which consists of vacation and compensatory time earned by employees but not paid.

### Net Assets

Net assets include investments in capital assets net of related debt. Restricted assets are assets whose use is restricted by grantors, contributors, laws or regulations. Unrestricted assets are assets that do not fall under the previous two categories.

## **REVENUES AND EXPENDITURES/EXPENSES**

In the Government-Wide Statement of Activities, revenues and expenses are segregated by activity and then by function. Additionally, revenues are classified as program or general revenues. Program revenues include charges to clients or applicants for services provided and certain grants and contributions. General revenues include General Fund appropriation, county contribution, and interest.

In the governmental fund financial statements, revenues are reported by source, and expenditures are reported by function.

The Special Revenue Fund is used to account for all of the District's activities, except tobacco cessation, which is accounted for in the Non-Major Fund.

## **CHANGES IN ACCOUNTING PRINCIPLE**

Prepaid Expenses: The beginning balance of prepaid expense was restated to comply with a change in accounting principle to the purchase method. Prepaid expense is not significant, and under the purchase method does not require balance sheet recognition. The fund balance was restated by \$1,435.

## **RESTATEMENTS**

County Contribution Accrual: The beginning balance of accounts receivable was restated to reflect a prior period adjustment for the county pledge. Historically the county contribution was reported as cash, plus any outstanding county receivables recorded at June 30, 2009. The change is to comply with GASB Statement 33, par. 24, which states in part "...the applicable period for both the provider and the recipients is the provider's fiscal year and begins on the first day of that year. ...The entire award should be recognized at that time." The closed beginning balance of accounts receivable for 2007 was restated by \$236,940; and the fund balance was restated by \$236,940.

Deferred Revenue: The Statement of Net Assets was also restated by addition of deferred revenue that was left out of this statement in the prior year. Therefore, \$52,353 was included as a current liability reducing the total net assets. This, combined with the above county contribution accrual, resulted in an increase of \$184,587 to the fiscal year Net Asset ending balance.

## **NOTE 2. CASH AND INVESTMENTS**

The District participates in the State Treasurer's internal and external investment pools. The Idle Fund is an internal investment pool managed by the State Treasurer's Office on behalf of participants. Money not needed to meet immediate operating obligations is invested in accordance with Idaho Code, Sections 67-1210 and 67-1210A. Participation in the pool is voluntary for the District.

The District also participates in the Local Government Investment Pool and Diversified Bond Fund, which are external investment pools sponsored by the State Treasurer's Office. A copy of the State's

*Comprehensive Annual Financial Report (CAFR)*, including the investment pools' financial statements, is available from the Office of the State Controller or on its Web site.

Idaho Code restricts the State Treasurer to certain types of investments.

Credit Risk

The Local Government Investment Pool and Diversified Bond Fund were rated in fiscal years 2008 and 2009. For fiscal years 2008 and 2009, FY-08 and FY-09, both have AAAf fund credit quality ratings, signifying that the portfolio holdings provide extremely strong protection against losses from credit defaults.

Interest Rate Risk

The Local Government Investment Pool has an S1+ volatility rating, indicating extremely low sensitivity to changing market conditions, and a level of risk that is less than or equal to that of a portfolio comprised of the highest-quality fixed income instruments with an average maturity of one year or less. The Diversified Bond Fund has an S2 volatility rating, indicating low to moderate sensitivity to changing market conditions.

The following schedule represents the District's investments in the external investment pools and a distribution of the pools' maturities at June 30, 2008 and 2009:

<u>Fair Value</u>	<u>Weighted Average Maturity</u>
2008 Investment in External Investment Pools	
Local Government Investment Pool	\$608,520      67 days
Diversified Bond Fund	1,133,052      4.1 years
2009 Investment in External Investment Pool	
Local Government Investment Pool	\$400,736      58 days
Diversified Bond Fund	1,203,952      2.9 years

The State Treasurer has an informal investment policy that limits certain investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The District has no formal policy to mitigate interest rate risk or credit risk.

**NOTE 3. COMPENSATED ABSENCES**

The District is not part of the State, but has decided to follow State rules. District employee benefits include vacation and sick leave allowances. Overtime may be earned under provisions of the Fair Labor Standards Act and State law. Overtime is commonly referred to as "compensatory time" or "comp time," since employees may take time off for the accrued overtime. For the purposes of earning and accruing overtime, there are three general classes of employees:

1. Those who earn overtime at 1.5 times regular pay rates and may be paid for the overtime or take time off.
2. Those who earn overtime at the same rate as regular pay rates and may only take time off.
3. Those ineligible for overtime.

Upon termination, the following accrued leave balances are paid:

1. Vacation leave
2. Overtime for those eligible for payment

As of June 30, 2008 and 2009, the following total value of leave has been accrued by employees of South Central Public Health District (V). These amounts are accrued in the government-wide financial statements when the benefit is incurred. A liability for the amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

#### **CHANGES IN COMPENSATED ABSENCES**

	<u>FY 2008</u>
Beginning Balance July 1, 2007	\$233,680
Increases	246,774
Decreases	<u>239,748</u>
Ending Balance June 30, 2008	<u>\$240,705</u>

The District estimates the amount due within one year is \$240,705. Compensated absences are paid from the District's main operating fund.

	<u>FY 2009</u>
Beginning Balance July 1, 2008	\$240,705
Increases	231,376
Decreases	<u>246,455</u>
Ending Balance June 30, 2009	<u>\$225,626</u>

The District estimates the amount due within one year is \$225,626. Compensated absences are paid from the District's main operating fund.

#### **NOTE 4. PENSION PLANS**

##### **DEFINED BENEFIT PLAN**

The Public Employee Retirement System of Idaho (PERSI), a cost-sharing, multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI, on their website or in print upon request.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits when they reach the age specified by their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% for police/firefighter) of the average monthly salary for the highest consecutive 42 months.

PERSI issues publicly available stand alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's Web site.

The contribution requirements of the District and its employees are established and may be amended by the PERSI Board of Trustees. For the years ended June 30, 2008 and June 30, 2009, the required contribution rate was 10.39% and 6.23% of covered payroll for the District and its employees, respectively. District contributions required and paid were \$336,434, \$343,602, and \$333,749, respectively, for the three years ended June 30, 2007, 2008, and 2009.

#### **DEFINED CONTRIBUTION PLAN**

The PERSI Choice Plan is the State's defined contribution retirement plan and includes the 401(k) and the 414(k). The 414(k) plan was established for gain sharing allocations from the PERSI Base Plan. Any gain-sharing amount is based on PERSI Base Plan funding levels. The 401(k) plan is open to all active PERSI Base Plan members and was established February 1, 2001. Gain sharing requires 12 months active PERSI membership for eligibility in the 414(k) gain sharing contributions. Assets for both plans are commingled. The PERSI Choice Plan is the State's defined contribution retirement plan. Statutes governing the PERSI Choice Plan are found in Idaho Code, Title 59, Chapter 13. The retirement board created pursuant to section 59-1304 of the Idaho Code to manage the Public Employee Retirement System of Idaho shall administer the Plan. Participants contribute pre-tax earnings to the Plan and direct their own investment mix.

Participants may elect to change their deferral every pay period. Employee pre-tax contributions may be any whole percentage between 1% and 100% of the deferral compensation otherwise payable to the participant during the applicable pay period, provided that no contribution may be less than \$130.00 divided by the number of annual pay periods. Employee pre-tax contributions and employer contributions for any limitation year (the "annual additions"), for all defined contributions shall not exceed the lesser of the following: (1) \$40,000 or such larger amount as may be determined under Code Section 415(c)(1)(A); or (2) 100% of the participant's total Section 415 compensation received from the employer for such limitation year.

## NOTE 5. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2008 and June 30, 2009 is as follows:

	Balances at July 1, 2007 As Adjusted	Increases	Decreases	Balances at June 30, 2008
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$337,709	\$0	\$0	\$337,709
Total Capital Assets Not Being Depreciated	\$337,709	\$0	\$0	\$337,709
Capital Assets Being Depreciated				
Buildings and Improvements	\$3,621,839	\$230,122	\$0	\$3,851,961
Improvements Other Than Buildings	233,719	0	0	233,719
Equipment and Vehicles	463,137	86,018	(71,411)	477,744
Total Capital Assets Being Depreciated	\$4,318,695	\$316,140	(\$71,411)	\$4,563,424
Less Accumulated Depreciation For:				
Buildings and Improvements	(\$925,492)	(\$128,399)	\$0	(\$1,053,891)
Improvements Other Than Buildings	(139,473)	(11,424)	0	(150,897)
Equipment and Vehicles	(243,469)	(43,028)	62,633	(223,863)
Total Accumulated Depreciation	(\$1,308,434)	(\$182,851)	\$62,633	(\$1,428,651)
Total Capital Assets Being Depreciated, Net	\$3,010,261	\$133,289	(\$8,778)	\$3,134,773
Governmental Activities Capital Assets, Net	\$3,347,970	\$133,289	(\$8,778)	\$3,472,482
	Balances at July 1, 2008 As Adjusted	Increases	Decreases	Balances at June 30, 2009
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$337,709	\$45,384	\$0	\$383,093
Construction in Progress	0	27,304	0	27,304
Total Capital Assets Not Being Depreciated	\$337,709	\$72,688	\$0	\$410,397
Capital Assets Being Depreciated				
Buildings and Improvements	\$3,851,961	\$0	\$0	\$3,851,961
Improvements Other Than Buildings	233,719	0	0	233,719
Equipment and Vehicles	477,744	71,677	(22,778)	526,643
Total Capital Assets Being Depreciated	\$4,563,424	\$71,677	(\$22,778)	\$4,612,323
Less Accumulated Depreciation For:				
Buildings and Improvements	(\$1,053,891)	(\$128,399)	\$0	(\$1,182,290)
Improvements Other Than Buildings	(150,897)	(11,424)	0	(162,321)
Equipment and Vehicles	(223,863)	(48,086)	22,778	(249,171)
Total Accumulated Depreciation	(\$1,428,651)	(\$187,909)	\$22,778	(\$1,593,782)
Total Capital Assets Being Depreciated, Net	\$3,134,773	(\$116,232)	\$0	\$3,018,541
Governmental Activities Capital Assets, Net	\$3,472,482	(\$43,544)	\$0	\$3,428,938

Depreciation is charged to general support. In fiscal year 2008 depreciation was \$182,850, and in fiscal year 2009 depreciation was \$187,909.

The District purchased a parcel of land in Gooding, Idaho to build a new facility. We began initial construction in fiscal year 2009, with a completion date during fiscal year 2010.

**NOTE 6. LEASES**

Operating Leases: Operating leases are leases for which the District will not gain title to the asset. They contain various renewal options, as well as some purchase options. Operating lease payments are recorded as expenditures of the related funds when paid or incurred. The District's total operating lease expenditures for fiscal years 2008 and 2009 was \$47,614 and \$47,824, respectively.

Future minimum lease commitments for non-cancelable operating leases as of June 30, 2009 follow:

Operating Leases	
<u>Fiscal Year</u>	<u>Amount</u>
2010	\$30,849
2011	29,166
2012	28,794
2013	29,334
2014	29,514
<u>2015</u>	<u>7,379</u>
Total	\$155,036

## REQUIRED SUPPLEMENTARY INFORMATION

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STATE OF IDAHO  
 SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL  
 GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State	\$1,401,200	\$1,416,200	\$1,350,200	(\$66,000)
County	982,202	982,202	973,878	(8,324)
Contracts	2,884,166	2,821,655	3,131,438	309,783
Fees	957,800	964,837	1,248,299	283,462
Interest	73,391	73,391	89,234	15,843
Reserve	95,121	393,894	0	(393,894)
	<u>\$6,393,880</u>	<u>\$6,652,179</u>	<u>\$6,793,049</u>	<u>\$140,870</u>

Reconciliation to GAAP Basis Revenues:

Change in Interagency Receivable	\$14,820
Change in Accounts Receivable	(111,860)
Change in Deferred Revenue	39,937
Change in Unearned Revenue	(71,884)
Unrecognized Gain on Investments	22,703
Total GAAP Revenues	<u>\$6,686,765</u>

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Personnel Costs	\$4,957,108	\$4,873,820	\$4,770,729	\$103,091
Operating	1,202,272	1,295,515	1,345,536	(50,021)
Capital Outlay	37,500	284,981	316,141	(31,160)
Trustee Benefits	197,000	197,863	285,907	(88,044)
Total Expenditures	<u>\$6,393,880</u>	<u>\$6,652,179</u>	<u>\$6,718,313</u>	<u>(\$66,134)</u>

Reconciliation to GAAP Basis Expenditures:

Change in Accounts Payable	\$5,672
Change in Payroll Payable	16,248
Total GAAP Expenditures	<u>\$6,740,233</u>

The accompanying notes are an integral part of these financial schedules.

STATE OF IDAHO  
SOUTH CENTRAL PUBLIC HEALTH DISTRICT (V)  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
State	\$1,485,600	\$1,400,600	\$1,324,800	(\$75,800)
County	1,011,668	1,011,668	1,036,341	24,673
Contracts	2,785,344	2,941,776	3,082,889	141,113
Fees	1,223,135	1,172,034	1,069,920	(102,114)
Interest	80,000	67,716	62,514	(5,202)
Reserve	0	634,796	0	(634,796)
	<u>\$6,585,747</u>	<u>\$7,228,590</u>	<u>\$6,576,464</u>	<u>(\$652,126)</u>

Reconciliation to GAAP Basis Revenues:

Change in Interagency Receivable	(\$185,995)
Change in Accounts Receivable	(17,172)
Change in Deferred Revenue	4,176
Change in Unearned Revenue	160,217
Unrecognized Gain on Investments	20,601
Total GAAP Revenues	<u>\$6,558,291</u>

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
EXPENDITURES				
Personnel Costs	\$5,050,024	\$4,870,833	\$4,746,723	\$124,110
Operating	1,248,922	1,633,796	1,439,628	194,168
Capital Outlay	63,800	353,800	144,365	209,435
Trustee Benefits	223,000	370,160	385,729	(15,569)
Total Expenditures	<u>\$6,585,746</u>	<u>\$7,228,589</u>	<u>\$6,716,445</u>	<u>\$512,144</u>

Reconciliation to GAAP Basis Expenditures:

Change in Accounts Payable	(\$29,943)
Change in Payroll Payable	7,439
Total GAAP Expenditures	<u>\$6,693,941</u>

The accompanying notes are an integral part of these financial schedules.

# NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

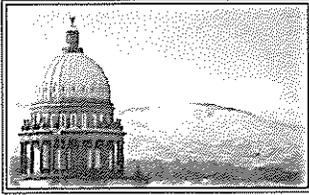
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## **NOTE 1. FUNDS**

The District has two funds. One fund is the General Fund (0290); all but one program flows through this fund. The second is a special revenue fund known as the Millennium Fund (0499), which has a specific purpose to provide smoking cessation programs to our community. Both funds are included in the budget.

## **NOTE 2. BUDGET COMMITTEE**

The chairmen of the Board of County Commissioners located within the Public Health District serve as the Budget Committee of the Public Health District. The District board will submit the budget to the Budget Committee. The budget is prepared on a cash basis. The budget for the Public Health District shall be approved by a majority of the Budget Committee. Any adjustments of the budget are approved by the Board of Health.



# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

**Jeff Youtz**  
Director

July 27, 2010

Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial  
Statements Performed in Accordance  
with Government Auditing Standards

Rene LeBlanc, Director  
South Central Public Health District (V)  
1020 Washington Street North  
Twin Falls, ID 83301

Marvin Hempleman, Chair  
District V Board of Health  
2916 East 3600 North  
Twin Falls, ID 83301

Dear Mr. LeBlanc and Mr. Hempleman:

We have audited the financial statements of the governmental activities, major fund, and the remaining fund information of South Central Public Health District (V) as of and for the years ended June 30, 2008 and 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

**Mike Nugent, Manager**  
Research & Legislation

**Cathy Holland-Smith, Manager**  
Budget & Policy Analysis

**Don H. Berg, Manager**  
Legislative Audits

**Glenn Harris, Manager**  
Information Technology

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

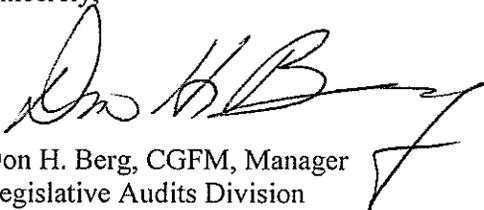
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

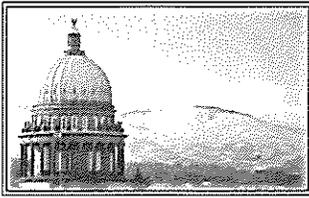
We noted certain other matters that we have reported to the management of the District in a separate letter.

This report is intended solely for the information and use of the State of Idaho, South Central Public Health District (V), and the District's Board, and is not intended to be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Don H. Berg", with a long horizontal stroke extending to the right.

Don H. Berg, CGFM, Manager  
Legislative Audits Division



# Legislative Services Office Idaho State Legislature

*Serving Idaho's Citizen Legislature*

**Jeff Youtz**  
Director

July 27, 2010

Independent Auditor's Report on Compliance with  
Requirements Applicable to Each Major Program  
and on Internal Control Over Compliance in  
Accordance with OMB Circular A-133

Rene LeBlanc, Director  
South Central Public Health District (V)  
1020 Washington Street North  
Twin Falls, ID 83301

Marvin Hempleman, Chair  
District V Board of Health  
2916 East 3600 North  
Twin Falls, ID 83301

Dear Mr. LeBlanc and Mr. Hempleman:

## Compliance

We have audited the compliance of South Central Public Health District (V) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements, and performing such other procedures that we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

**Mike Nugent, Manager**  
Research & Legislation

**Cathy Holland-Smith, Manager**  
Budget & Policy Analysis

**Don H. Berg, Manager**  
Legislative Audits

**Glenn Harris, Manager**  
Information Technology

Internal Control Over Compliance

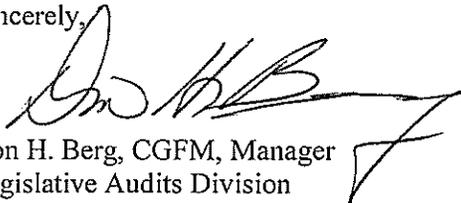
The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct, material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of South Central Public Health District (V), and the federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Don H. Berg, CGFM, Manager  
Legislative Audits Division

STATE OF IDAHO  
 SOUTH CENTRAL DISTRICT HEALTH (V)  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Federal Grantor/Program Title	Federal CFDA Number	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 2008	Federal Expenditures FY 2009	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Pass Through Idaho Department of Health and Welfare							
WIC Administration	10.557	HC557700	10/01/06 - 09/30/07	\$787,730	\$53,464	\$0	\$53,464
WIC Administration	10.557	HC585400	10/01/07 - 09/30/08	938,626	813,092	125,533	938,625
WIC Administration	10.557	HC626400	10/01/08 - 09/30/09	1,107,666	0	807,451	807,451
<i>Total CFDA 10.557</i>					\$866,556	\$932,984	\$1,799,540
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>					\$866,556	\$932,984	\$1,799,540
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
Pass Through Idaho Housing and Finance Administration							
Housing Opportunities for Persons with AIDS	14.241		07/01/07 - 07/31/08	18,436	\$18,436	\$1,704	\$20,140
Housing Opportunities for Persons with AIDS	14.241		09/01/08 - 08/31/09	25,708	0	12,112	12,112
<i>Total CFDA 14.241</i>					\$18,436	\$13,816	\$32,252
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					\$18,436	\$13,816	\$32,252
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Pass Through Idaho Department of Transportation							
Seatbelt Survey	20.600	SSB0801	06/02/08 - 07/06/08	4,100	\$2,728	\$0	\$2,728
Seatbelt Survey	20.600	SSB0901	06/01/09 - 07/05/09	3,800	0	2,510	2,510
<i>Total CFDA 20.600</i>					\$2,728	\$2,510	\$5,238
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>					\$2,728	\$2,510	\$5,238
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>							
Pass Through Idaho Department of Health and Welfare							
Public Drinking Water	66.600	S203	07/01/07 - 06/30/09	136,179	\$61,094	\$75,085	\$136,179
<i>Total CFDA 66.600</i>					\$61,094	\$75,085	\$136,179
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					\$61,094	\$75,085	\$136,179
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Pass Through Idaho Department of Health and Welfare							
Public Health Preparedness	93.069	HC612900	08/31/08 - 08/30/09	297,542	\$0	\$254,476	\$254,476
<i>Total CFDA 93.069</i>					\$0	\$254,476	\$254,476
TB Observed Therapy	93.116	HC567700	01/01/07 - 12/31/07	14,602	\$5,522	\$0	\$5,522
TB Observed Therapy	93.116	HC597700	01/01/08 - 12/31/08	11,286	9,289	1,997	11,286
TB Observed Therapy	93.116	HC631900	01/01/09 - 12/31/09	4,441	0	1,237	1,237
<i>Total CFDA 93.116</i>					\$14,811	\$3,234	\$18,045
Family Planning	93.217	HC576100	07/01/07 - 06/30/08	91,284	\$91,284	\$0	\$91,284
Family Planning	93.217	HC605000	07/01/08 - 06/30/09	97,421	0	97,421	97,421
<i>Total CFDA 93.217</i>					\$91,284	\$97,421	\$188,705
Arthritis	93.283	HC574600	07/01/07 - 06/30/08	12,000	\$12,000	\$0	\$12,000
Asthma	93.283	HC583900	09/01/06 - 08/31/07	14,000	6,300	0	6,300
Asthma	93.283	HC508300	09/01/07 - 08/31/09	28,000	10,500	14,000	24,500
Breast and Cervical Cancer	93.283	HC571600	07/01/07 - 06/30/08	82,418	82,418	0	82,418
Breast and Cervical Cancer	93.283	HC607400	07/01/08 - 06/30/09	72,999	0	63,452	63,452
Comprehensive Cancer	93.283	HC572200	06/30/07 - 06/29/08	17,000	17,000	0	17,000
Comprehensive Cancer	93.283	HC604300	06/30/08 - 06/29/09	17,430	0	17,430	17,430
Pandemic Influenza Planning	93.283	HC540200	06/01/06 - 08/01/07	200,059	114,463	0	114,463
Pandemic Influenza Planning	93.283	HC587600	08/31/07 - 08/09/08	100,000	38,384	61,616	100,000
Public Health Preparedness	93.283	HC556900	08/31/06 - 08/30/07	367,039	56,380	0	56,380
Public Health Preparedness	93.283	HC588500	08/31/07 - 08/30/08	308,880	275,830	29,303	305,133
Public Health Preparedness - Surveillance	93.283	HC561200	09/01/06 - 08/30/07	163,085	24,740	0	24,740
Public Health Preparedness - Surveillance	93.283	HC590600	09/01/07 - 08/30/08	132,273	132,273	0	132,273
Public Health Preparedness - Surveillance	93.283	HC615800	09/01/08 - 08/30/09	129,600	0	129,600	129,600
Tobacco Prevention	93.283	HC542200	07/01/06 - 03/29/09	120,217	43,715	32,787	76,502
Tobacco Prevention	93.283	HC635700	03/30/09 - 03/29/11	67,538	0	12,567	12,567
<i>Total CFDA 93.283</i>					\$814,003	\$360,755	\$1,174,758

The accompanying notes are an integral part of this schedule.

STATE OF IDAHO  
SOUTH CENTRAL DISTRICT HEALTH (V)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Federal Grantor/Program Title	Federal CFDA Number	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 2008	Federal Expenditures FY 2009	Total Federal Expenditures
Food Advisory Council	93.448			\$5,499	\$0	\$5,499	\$5,499
<i>Total CFDA 93.448</i>					\$0	\$5,499	\$5,499
Child Health and Safety	93.558	5C099000	07/01/07 - 09/30/09	252,400	\$145,000	\$95,288	\$240,288
Immunization--Reminder Information System	93.558	HC500400	08/06/07 - 10/31/07	19,926	13,720	0	13,720
Immunization--Reminder Information System	93.558	HC595500	11/01/07 - 06/30/08	39,200	39,200	0	39,200
Immunization--Reminder Information System	93.558	HC610400	07/01/08 - 06/30/09	57,768	0	34,348	34,348
<i>Total CFDA 93.558</i>					\$197,920	\$129,636	\$327,556
Child Care	93.575	WC056200	07/01/06 - 06/30/10	450,296	\$96,120	\$104,440	\$200,560
<i>Total CFDA 93.575</i>					\$96,120	\$104,440	\$200,560
Hospital Bioterrorism Preparedness (HRSA)	93.889	HC556300	09/01/06 - 08/31/07	224,820	\$154,149	\$0	\$154,149
Hospital Bioterrorism Preparedness (ASPR)	93.889	HC589100	09/01/07 - 08/31/08	331,632	154,858	170,051	324,909
Hospital Bioterrorism Preparedness (ASPR)	93.889	HC613500	08/09/08 - 08/08/09	309,788	0	290,940	290,940
<i>Total CFDA 93.889</i>					\$309,007	\$460,991	\$769,998
Ryan White Care Services	93.917	HC449900	04/01/07 - 08/31/07	21,104	\$6,300	\$0	\$6,300
Ryan White Care Services	93.917	HC587200	09/01/07 - 03/31/08	14,114	13,463	0	13,463
Ryan White Care Services	93.917	HC602300	04/01/08 - 06/30/09	27,795	4,435	23,082	27,517
<i>Total CFDA 93.917</i>					\$24,198	\$23,082	\$47,280
HIV Prevention	93.940	HC491000	01/01/05 - 12/31/07	87,266	\$13,932	\$0	\$13,932
HIV Prevention	93.940	HC599700	01/01/08 - 12/31/08	29,853	13,602	14,951	28,553
HIV Prevention	93.940	HC634000	01/01/09 - 12/31/09	30,303	0	16,402	16,402
HIV Prevention (HC/PI)	93.940	HC536800	03/15/06 - 12/31/08	41,500	9,750	13,000	22,750
<i>Total CFDA 93.940</i>					\$37,284	\$44,353	\$81,637
HIV Surveillance	93.944	HC567000	01/01/07 - 12/31/07	3,500	\$3,500	\$0	\$3,500
HIV Surveillance	93.944	HC598400	01/01/08 - 12/31/08	3,500	1,394	2,106	3,500
HIV Surveillance	93.944	HC631100	01/01/09 - 12/31/09	3,500	0	1,505	1,505
<i>Total CFDA 93.944</i>					\$4,894	\$3,611	\$8,505
Sexually Transmitted Disease	93.977	HC491000	01/01/05 - 12/31/07	56,926	\$10,869	\$0	\$10,869
Sexually Transmitted Disease	93.977	HC599700	01/01/08 - 12/31/08	19,202	10,101	10,101	20,202
Sexually Transmitted Disease	93.977	HC599700	01/01/09 - 12/31/09	19,953	0	9,101	9,101
<i>Total CFDA 93.977</i>					\$20,970	\$19,202	\$40,172
Diabetes Control	93.988	HC570000	04/01/07 - 03/29/08	19,750	\$12,270	\$0	\$12,270
Diabetes Control	93.988	HC602000	04/01/08 - 03/29/09	17,250	7,797	9,453	17,250
Diabetes Control	93.988	HC636900	04/01/09 - 03/29/10	16,650	0	5,502	5,502
<i>Total CFDA 93.988</i>					\$20,067	\$14,955	\$35,022
Injury Prevention	93.991	HC563500	11/01/06 - 09/30/07	36,000	\$3,841	\$0	\$3,841
Injury Prevention	93.991	HC593100	11/01/07 - 09/30/08	36,500	26,884	9,616	36,500
Injury Prevention	93.991	HC622900	11/01/08 - 09/30/09	45,000	0	30,404	30,404
<i>Total CFDA 93.991</i>					\$30,725	\$40,020	\$70,745
Epidemiology Notification	93.994	HC562900	10/01/06 - 09/30/07	29,560	\$663	\$0	\$663
Epidemiology Notification	93.994	HC586300	10/01/07 - 09/30/08	29,806	29,806	0	29,806
Epidemiology Notification	93.994	HC623800	10/01/08 - 09/30/09	29,520	0	16,475	16,475
Family Planning	93.994	HC410400	10/01/03 - 09/30/07	336,000	21,000	0	21,000
Family Planning	93.994	HC591500	10/01/07 - 09/30/08	61,372	46,029	15,343	61,372
Family Planning	93.994	HC628100	10/01/08 - 09/30/09	65,319	0	48,989	48,989
Oral Health	93.994	HC592500	10/01/07 - 09/30/08	29,147	27,647	1,500	29,147
Oral Health	93.994	HC560600	10/01/08 - 06/30/09	25,034	0	25,034	25,034
<i>Total CFDA 93.994</i>					\$125,145	\$107,341	\$232,486
<b>Total Pass Through Idaho Department of Health and Welfare</b>					<b>\$1,786,428</b>	<b>\$1,669,016</b>	<b>\$3,455,444</b>

The accompanying notes are an integral part of this schedule.

STATE OF IDAHO  
SOUTH CENTRAL DISTRICT HEALTH (V)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Federal Grantor/Program Title	Federal CFDA Number	Contract Number	Contract Period	Contract Amount	Federal Expenditures FY 2008	Federal Expenditures FY 2009	Total Federal Expenditures
<b>Pass Through Idaho North Central District Health Department</b>							
Refugee Health Program	93.566	None	10/01/06 - 09/30/07	\$53,000	\$12,809	\$0	\$12,809
Refugee Health Program	93.566	None	10/01/07 - 09/30/08		24,296	6,452	30,748
Refugee Health Program	93.566	None	10/01/08 - 09/30/09	67,925	0	39,241	39,241
<i>Total CFDA 93.566</i>					\$37,105	\$45,693	\$82,798
Refugee Health Program	93.576	None	10/01/06 - 09/30/07	10,000	\$1,091	\$0	\$1,091
Refugee Health Program	93.576	None	10/01/07 - 09/30/08	10,000	10,000	0	10,000
Refugee Health Program	93.576	None	10/01/08 - 09/30/09	10,000	0	10,000	10,000
<i>Total CFDA 93.576</i>					\$11,091	\$10,000	\$21,091
<b>Total Pass Through Idaho North Central District Health Department</b>					48,196	55,693	103,889
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					\$1,834,624	\$1,724,709	\$3,559,333
<b>TOTAL CASH EXPENDITURES OF FEDERAL AWARDS</b>					\$2,783,438	\$2,749,103	\$5,532,542
<b>NON-CASH EXPENDITURES OF FEDERAL AWARDS</b>							
WIC Food Vouchers	10.557				\$3,848,163	\$4,308,255	\$8,156,418
Contraceptive Assistance	93.217				72,599	106,586	179,185
<b>TOTAL NON-CASH EXPENDITURES OF FEDERAL AWARDS</b>					\$3,920,762	\$4,414,841	\$8,335,603
<b>GRAND TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					\$6,704,200	\$7,163,945	\$13,868,145

The accompanying notes are an integral part of this schedule.

# NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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## **NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grants activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

The CFDA refers to the *Catalog of Federal Domestic Assistance*, which is a government-wide list of individual federal programs. Federal award programs for which we could not determine a number are identified with the first two digits that identify the federal grantor department, followed by ".999."

Immaterial differences in the schedule are due to rounding.

## **NOTE 2. WIC FOOD VOUCHERS**

The District determines eligibility for the Women, Infants, and Children (WIC) program. Within the WIC program, the District distributes food checks to clients and controls unissued food checks. The Idaho Department of Health and Welfare issues and redeems food checks, controls the food checks issued, and reviews program compliance. The value of the food checks redeemed through the Idaho Department of Health and Welfare during fiscal years 2008 and 2009 was \$3,848,163 and \$4,308,255, respectively.

## **NOTE 3. VALUE OF CONTRACEPTIVES**

The District provides contraceptives on a sliding fee scale to eligible clients of the federally funded Reproductive Health Clinic. The Idaho Department of Health and Welfare purchases the contraceptives and supplies them to the District as needed. The value of the contraceptives issued during fiscal years 2008 and 2009 was \$72,599 and \$106,586, respectively.

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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## SECTION I. SUMMARY OF AUDITOR'S RESULTS

### Basic Financial Statements

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.
2. The audit of the basic financial statements did not disclose a significant deficiency that was considered a material weakness.
3. The audit did not disclose any instances of noncompliance considered material to the basic financial statements.

### Federal Awards

4. The audit did not disclose any significant deficiencies in internal control over major programs.
5. The independent auditor's report on compliance for major programs expressed an unqualified opinion for all major programs.
6. The audit did not disclose any findings that must be reported in accordance with criteria in Section 510a of *OMB Circular A-133*.
7. Major programs are listed below:

<u>Program Title</u>	<u>CFDA Number</u>
WIC	10.557

8. The dollar threshold used to distinguish between Type A and Type B programs was \$416,044.
9. South Central Public Health District (V) did not qualify as a low-risk auditee as defined by *OMB Circular A-133*.

## SECTION II. FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

NONE

## SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

# AGENCY RESPONSE

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**South Central  
Public Health District**  
Prevent. Promote. Protect.

**District Office**

1020 Washington St. N  
Twin Falls, ID  
83301-3156  
(208)734-5900  
Fax (208)734-9502

**Satellite Offices**

**Bellevue**  
117 East Ash St.  
Bellevue, ID  
83313  
(208)788-4335  
Fax (208)788-0098

**Burley**  
2311 Parke Ave.  
Unit 4, Ste. 4  
Burley, ID  
83318-2170  
(208)678-8221  
Fax (208)678-7465

**Gooding**  
145 7th Ave. E.  
Gooding, ID  
83330-1660  
(208)934-4477  
Fax (208)934-8558

**Jerome**  
951 East Avenue H  
Jerome, ID  
83338-2805  
(208)324-8838  
Fax (208)324-9554

**Rupert**  
1218 9th St., Ste. 15  
Rupert, ID  
83350-2202  
(208)436-7185  
Fax (208)436-9066

August 4, 2010

Mr. Eugene Sparks, CPA, CGFM  
Managing Auditor  
Legislative Services Office  
P.O. Box 83720  
Boise, ID 83720-0054

Dear Mr. Sparks:

I have reviewed the recently completed draft audit report of South Central Public Health District for Fiscal Years 2008 and 2009. I and my fiscal staff agree with the draft report, and we are pleased with the results.

I would like to thank you and your staff on the recently completed audit. Kathleen Watkins, CPA, Wade Kimball, and Kyle Wilmot conducted themselves professionally in all aspects of the audit. I appreciate their suggestions and input to improve our fiscal operations. Please extend my thanks to them.

Sincerely,

Rene R. LeBlanc, MS, RS  
District Director

RRL/bms

# APPENDIX

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## HISTORY

The following is a chronological history of the basic health care services that the State has provided to the public.

- 1907 – The State Board of Health and counties that had local boards of health were statutorily authorized joint responsibility for public health.
- 1947 – A public health district law was enacted that permitted two or more counties to establish a public health district. Participation in the forming of the health districts was voluntary.
- 1970 – The legislature established a law that created seven mandatory public health districts. In South Central District Health (V), the counties designated were Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls. The director of the State Department of Health and Welfare was designated fiscal officer for the various districts.
- 1976 – Legislative intent was expressed that the health districts are not State agencies, and that they be recognized as authorized governmental entities.
- 1986 – Idaho Code was amended to allow district health departments to promulgate rules and regulations without the State Board of Health's approval.
- 1993 – The legislature clarified the need for district health departments to use the Idaho Administrative Procedures Act for fees and rules.
- 2008 – Legislation changed Idaho Code, Section 39-414 language: "For purposes of this chapter, a PH district is not a subdivision of the state and is considered an independent body corporate and politic, in terms of negotiating long term debt and financing." (This will move the local PH district outside the Frasier legal case of debt financing.)

## PURPOSE

The purpose of the District is to provide and support public health education and administration, family and child health, environmental health, and community health surveillance; to preserve and protect public health; to prevent disease, disability, and premature death; to promote healthy lifestyles; and to protect and promote the health and quality of our environment.

## STATUTORY AUTHORITY

The statutory authority for the District is found in Idaho Code, Title 39, Chapter 4.

## ORGANIZATION

The District is supervised by an eight-member board appointed by the county commissioners of the counties served. Board members serve staggered five-year terms, and are reimbursed \$75 per working day plus all necessary travel expenses. The Board appoints a director to administer and manage day-to-day activities of the District. Three physicians provide medical consulting services to the District.

The District is organized into four major sections:

1. Administration and General Support – Provides support to the other sections with administration, budget, accounting, personnel, payroll, information systems, facilities, and other support services.
2. Clinical and Disease Prevention – Provides services such as immunizations, family planning, and communicable disease control.
3. Environmental Health – Provides licensing, inspection, investigation, and monitoring services for food establishments, day care centers, public swimming pools, water systems, sewage systems, and solid waste sites.
4. Community Health Services – Directs community health assessment, education, and coalition activities; provides nutrition, school health, and other health promotion/ screening services.

The District has a central office in Twin Falls and six satellite offices in Bellevue, Burley, Gooding, Jerome, Rupert, and Shoshone. An organizational chart is included.

**FUNDING**

The financing for the District comes from county contributions; State General Fund appropriation; other special appropriations; federal, State, and private contracts; and fees and donations from recipients of services, equipment, and supplies. The amount included in the District's General Fund appropriation request is determined by Idaho Code, Section 39-425. The Idaho Legislature sets the District's annual General Fund appropriation, which can be more or less than the amount requested.

